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IN THE
Supreme Court of the United States

CRITICAL-VAC FILTRATION CORPORATION,
Petitioner,

v.

MINUTEMAN INTERNATIONAL, INC., Respondent.

On Petition for a Writ of Certiorari
to the United States Court of Appeals
for the Second Circuit

PETITIONER'S REPLY BRIEF

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Petitioner Critical-Vac Filtration Corporation ("C-Vac") submits this brief in reply to the brief in opposition of respondent Minuteman International, Inc. ("Minuteman"). That brief was submitted in opposition to C-Vac's Petition for a Writ of Certiorari to the United States Court of Appeals for the Second Circuit.

Minuteman argues that the issue presented by C-Vac's Petition does not occur often enough to merit review. (Minuteman brief at 4 and 7) In making this argument, Minuteman ignores the fact that within the last six years, the Fifth, Ninth and Second Circuit Courts of Appeals have addressed the scope of this Court's decision in Mercoid Corp. v. Mid-Continent Inv. Co., 320 U.S. 662 (1944) ("Mercoid"), and have rendered conflicting decisions. See Critical-Vac

Filtration Corp. v. Minuteman International. Inc., 233 F.3d 697 (2d Cir. 2000); Tank Insulation Int'l Inc. v. Insultherm, Inc., 104 F.3d 83 (5th Cir. 1997) ("Tank Insulation"); Hydranautics v. FilmTec Corp., 70 F.3d 533 (9th Cir. 1995) ("Hydranautics"). Minuteman's Brief in Opposition also cites U.S. Phillips Corp. v. Sears Roebuck & Co., 55 F.3d 592 (Fed. Cir. 1995) ("Phillips"), for the proposition that the Federal Circuit agrees that there is no reason to delay bringing antitrust claims in the original patent infringement litigation. (Minuteman brief at 7) Although this statement is clearly dicta because Phillips prevailed in the suit that was alleged to have been sham litigation,[1] it demonstrates that the issue also has arisen in the Federal Circuit. See also, Genentech v. Regents of the Univ. of California, 143 F.3d 1446 (Fed. Cir. 1998), vacated on other grounds, 527 U.S. 1031 (1999) (holding that District Court's determination that an antitrust counterclaim was not compulsory was not an abuse of discretion).

The issue also has arisen in numerous district courts, and there are at least four reported district court decisions in the last six years. Tindall v. Parks, No. 96-CV-7651, 1997 U.S. Dist. Lexis 12263 (S.D.N.Y. Aug. 19, 1997); Longwood Mfg. Corp. v. Wheelabrator Clean Water Systems, Inc., 954 F.Supp. 17 (D.Me. 1996); American Packaging Corp. v. Golden Valley Microwave Foods, Inc., No. 94-CV-1839, 1995 W.L. 262522 (E.D. Pa. May 1, 1995); and Boston Scientific Corp. v. Schneider (Europe) AG, 983 F.Supp. 245 (D. Mass. 1997). Certainly, this issue also must have arisen in numerous other cases in which the decision was not reported or in cases

[1]The facts of Phillips were also unusual in that the party seeking to bring the antitrust claim had been a defendant in the original trial, was an indemnitor of one of the defendants in the retrial, and also served as a witness at the retrial. Further, at both the trial and retrial, the antitrust claims were litigated.

in which the parties settled their dispute out of court. The reoccurring confusion over the scope of Mercoid supports the need for this Court's review.

In 1997, the American Intellectual Property Law Association ("AIPLA") moved for leave to file an amicus brief in support of the petition for certiorari made by the petitioners in Tank Insulation. The motion included the brief that the AIPLA proposed to file, and in that brief the AIPLA noted that it represented more than 10,000 members who practiced in the area of intellectual property law, including patent law and antitrust law. The AIPLA did not take a position on the merits of Tank Insulation, but only argued that "[i]nconsistent interpretations of the Mercoid exception have led to proliferation of litigation and uncertainty. . .[that] has created a conflict of decisions between the Circuit Courts and a need for further guidance from this Court." See Amicus Brief of the AIPLA at 3, Insultherm, Inc. v. Tank Insulation Int'l., Inc. (Supreme Court No. 96-1899, October Term, 1996).

Certainly, the need for a definitive resolution is even stronger now that the Second Circuit has ruled directly contrary to the Fifth and Ninth Circuits. Moreover, Minuteman's argument that the Second Circuit's decision adds nothing to the "calculus of considerations surrounding the issue," because this Court denied certiorari to the Fifth Circuit in the Hydranautics case and to the Ninth Circuit in the Tank Insulation case (Minuteman brief at 5), is misplaced.

First, this Court denied certiorari to the Court of Appeals for the Federal Circuit in Hydranautics on a different issue than presented in the case at bar. FilmTec Corp. v. Hydranautics, 510 U.S. 824 (1993) [denying certiorari from 982 F.2d 1546 (Fed. Cir. 1992)]. Second, the denial of certiorari to the Ninth Circuit in Tank Insulation was rendered

in the absence of recent conflicting decisions from other Circuit Courts. The Second Circuit had addressed the issue in dicta in United States v. Eastport Steamship Corp., 255 F.2d 795 (2d Cir. 1958) (non patent infringement case), and the Fourth Circuit, holding that antitrust counterclaims are compulsory, had addressed the issue 15 years earlier in Burlington Indus., Inc. v. Milliken & Co., 690 F.2d 380 (4th Cir. 1982).

Now that the Second Circuit has rendered a conflicting decision from those rendered in both Tank Insulation and Hydranautics, the confusion has heightened and the need for review is greater. Moreover, this is not a case in which the facts are such that the Court should not consider review.

While Minuteman argues that C-Vac had its antitrust claims at the time of its responsive pleading in the Illinois action and that it pled those claims in that action (Minuteman brief at 8-9), C-Vac could not have known of Minuteman's fraudulent conduct before the Patent Office when it answered in the Illinois action. C-Vac could not have known, for example, whether Minuteman withheld from its attorney, James J. Hill ("Hill"), the fact that Minuteman was using what it considered to be prior art (a flat gasket on its own filters) or whether Hill knew it and intentionally withheld it from the Patent Office.[2] This fact, like so many of the essential facts that C-Vac would need to support the different elements of proof required in its antitrust claims, is something that C-Vac

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[2]Just as Minuteman misled the Patent Office, Minuteman has misled this Court by claiming that C-Vac pled the issue of inequitable conduct in the Illinois action. (Minuteman brief at 10) In the Illinois action, C-Vac asserted an affirmative defense of unenforceability when it answered the complaint, not a claim of inequitable conduct. (R.26-31) Thus, the issue of Minuteman's inequitable conduct was not litigated in the Illinois action, and Minuteman's mischaracterization of the facts of this case should have no bearing on whether this Court should grant certiorari.

could not have known or pled when it answered the patent infringement claim.

Reading Minuteman's brief would make one think that the pace of court decisions on the scope of Mercoid has not changed. In fact, the pace has quickened dramatically, and C-Vac does not believe that a resolution should wait, as Minuteman urges, for "future generations." (Minuteman brief at 8) Because the issue is one on which, within the last six years, there has been a clear conflict among at least three, if not four, Circuits, C-Vac urges this Court to hear this case and resolve the confusion regarding the scope of Mercoid.

CONCLUSION

For the reasons stated, the petition for a writ of certiorari should be granted.

Dated: Rochester, NY
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